

HIGH SCHOOL CORE AREA

Economics

Standard ECON-3: The student will demonstrate an understanding of the sources of income and growth in a free-enterprise economy.

ECON-3.2 Explain the role of entrepreneurs in a market economy, including the costs and benefits of being an entrepreneur, the expectation of profit as the incentive for entrepreneurs to accept business risks, and the effect of changes in taxation and government regulation on entrepreneurial decisions.

Taxonomy Level: B 2 Understand /Conceptual Knowledge

Previous/future knowledge:

In the fifth grade (5-3.1., 5-3.2) students explained how the Industrial Revolution was furthered by new inventions and technologies and identified prominent inventors and scientists of the period and summarized their inventions or discoveries, including Thomas Edison, Alexander Graham Bell, the Wright Brothers, and Albert Einstein. Also in fifth grade (5-4.1, 5-6.3) students summarized changes in daily life in the boom period of the 1920s, including the improved standard of living; the popularity of new technology; and explained how technological innovations have changed daily life in the United States since the early 1990s, including changes in the economy and the culture that were brought about by computers, electronics, satellites, and mass communication systems.

In seventh grade (7-3.5, 7-7.2) students explained the impact of the new technology that emerged during the Industrial Revolution and later, explained the significance and impact of the information, technological, and communications revolutions, including the role of television, satellites, computers, and the Internet.

In high school (USHC-8.5) students explained the lasting impact of the scientific and technological developments in America after World War II, including new systems for scientific research, medical advances, improvements in agricultural technology, and resultant changes in the standard of living and demographic patterns.

Future Knowledge

While no future knowledge is required, students must have a basic foundation in the fundamental characteristics of a market economy; as this is the economy they will live and work in. Students must understand the importance of the entrepreneurial process and the profit motive in motivating and providing incentives for innovation, ideas, and inventions that have and will continue to fuel economic growth across our nation.

It is essential for students to know

Students must understand the definition of an entrepreneur and must be able to describe the unique role they play in the production process. Students should know examples of entrepreneurs and understand the role they play in creating and developing new markets for goods and services. They should also understand the costs and benefits of being an entrepreneur. Further, they must be able to outline the risks and incentives of being an entrepreneur. In addition, students should have a basic understanding of the impact of government policy on entrepreneurial decision making. Students should, for example, understand that an increase in corporate taxes or the minimum wage may reduce the incentives for an entrepreneur to operate.

It is not essential for students to know

Students do not need to have a detailed understanding of government tax and regulation policy as it relates to entrepreneurial activity. Students do not need to understand financial or accounting rules related to business activity or entrepreneurs, specifically. As well, students do not need to understand the role of the entrepreneur in other economic systems.

Assessment guidelines:

Appropriate assessment requires students to *explain* the role of the entrepreneur in a market economy; therefore, the primary focus of assessment should be *summarizing* the role of the entrepreneur in a market economy and may also require students to *compare* the costs and benefits of an entrepreneur in a market economy, with particular emphasis on *clarifying* the risks associated with entrepreneurial activity.